

**DEPARTMENT OF THE TREASURY**

**Financial Crimes Enforcement Network**

**31 CFR Part 1010**

**RIN 1506—AB11**

**Financial Crimes Enforcement Network; Withdrawal of the Proposed Rulemaking against Lebanese Canadian Bank SAL**

**AGENCY:** Financial Crimes Enforcement Network (“FinCEN”), Treasury.

**ACTION:** Withdrawal of the proposed rulemaking.

**SUMMARY:** This document withdraws FinCEN’s February 17, 2011 proposed rulemaking to impose the fifth special measure against Lebanese Canadian Bank SAL (“LCB”) as a financial institution of primary money laundering concern, pursuant to the United States Code (U.S.C.).

**DATES:** As of [INSERT DATE PUBLISHED IN THE FEDERAL REGISTER] the proposed rule published February 17, 2011 is withdrawn.

**FOR FURTHER INFORMATION CONTACT:** The FinCEN Resource Center at (800) 767-2825.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The Bank Secrecy Act (“BSA”), codified at 12 U.S.C. 1829b, 12 U.S.C 1951-1959, and 31 U.S.C. 5311-5314 and 5316-5332, promotes the prevention, detection, and prosecution of money laundering, tax evasion, the financing of terrorism, and other financial crimes. Regulations implementing the BSA appear at 31 CFR Chapter X. The

authority of the Secretary of the Treasury (“the Secretary”) to administer the BSA and its implementing regulations has been delegated to the Director of FinCEN.

Section 5318A of the BSA grants the Secretary authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, foreign financial institution, class of international transactions, or type of account is of “primary money laundering concern,” to require domestic financial institutions and domestic financial agencies to take certain “special measures” against the primary money laundering concern.

## **II. The Finding, Notice of Proposed Rulemaking, and Subsequent Developments**

### *A. The Notice of Finding and Notice of Proposed Rulemaking*

Based upon review and analysis of relevant information, consultations with relevant Federal agencies and departments, and after consideration of the factors enumerated in section 311, the Director of FinCEN found that reasonable grounds existed for concluding that LCB was a financial institution of primary money laundering concern. FinCEN published a proposed rule proposing to impose the fifth special measure on February 17, 2011, pursuant to the authority under 31 U.S.C. 5318A.<sup>1</sup>

### *B. Subsequent Developments*

Since FinCEN’s notice of proposed rulemaking, material facts regarding the circumstances of the proposed rulemaking have changed. On September 20, 2011, the Lebanese central bank and monetary authority, with control over bank supervision and regulation, the Banque du Liban (BDL), revoked the banking license of LCB and delisted LCB from the list of banks published by BDL. LCB’s former shareholders sold its assets

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<sup>1</sup> See 76 FR 9268 (February 17, 2011, RIN 1506-AB11).

and liabilities to the Societé Generale de Banque au Liban SAL (SGBL). Because of the action taken by the Lebanese banking authorities and the liquidation of the LCB's assets, LCB no longer exists as a foreign financial institution. FinCEN will therefore not proceed with the rule proposed on February 17, 2011.

FinCEN finds that public comment on the withdrawal of the proposed rules is not required by the Administrative Procedure Act (5 U.S.C. 551 et seq.), because good cause exists to waive the notice and comment period. It is in the public interest to withdraw the proposed rule and it is unnecessary to delay the withdrawal of the proposed rule to allow notice and comment.

### **III. Withdrawal of the Proposed Rule**

For the reasons set forth above, FinCEN hereby withdraws the February 17, 2011 proposed rule proposing to impose the fifth special measure authorized by 31 U.S.C. 5318A(b)(5) regarding LCB. FinCEN's withdrawal of the proposed rule does not acknowledge any remedial measure taken by LCB, but results from the fact that LCB no longer exists as a foreign financial institution due to the decision by its former shareholders to liquidate the bank and the revocation of its banking license.

Dated: 9/28/2015

/s/  
Jennifer Shasky Calvery  
Director,  
Financial Crimes Enforcement Network